DOCUMENT RESUME

ED 083 905 HE 004 770

TITLE	Higher Education in Massachusetts: A New Look at Some Major Policy Issues; A Study for the Massachusetts Advisory Council on Education, Summary of the Report.
INSTITUTION	Academy for Educational Development, Inc., Washington, D.C.
SPONS AGENCY	Massachusetts Advisory Council on Education, Boston.
PUB DATE	Jun 73
NOTE	35p.
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	*Administrative Policy; Educational Finance; Educational Innovation; Educational Needs; *Educational Policy; *Educational Research; Equal Education; *Higher Education; Physical Facilities; *Policy Formation
IDENTIFIERS	*Massachusetts

ABSTRACT

This report summarizes the recommendations of a study on higher education in Massachusetts, reviews in tabular format the estimated costs of adopting the recommendations, and briefly comments on the recommendations. Recommendations concern six areas: access to higher education and equalization of educational opportunity; public higher education; private higher education; planning, coordinating, and budgeting; incentives for cooperation and innovation; and meeting the need for financial support. A related document is HE 004 771. (Author/MJM)

ED 083905

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HIGHER EDUCATION IN MASSACHUSETTS: A New Look At Some Major Policy Issues

A Study for the Massachusetts Advisory Council on Education

SUMMARY OF THE REPORT

Academy for Educational Development

June 1973

HE004770

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The Massachusetts Advisory Council on Education is an independent state agency created by special legislation (General Laws, Chapter 15, Section 1H) for the purpose of recommending policies designed to improve the performance of all public education systems in the Commonwealth. As such the Advisory Council provides support for studies which will recommend policies promoting and facilitating the coordination, effectiveness, and efficiency of these educational systems.

It is the policy of the Massachusetts Advisory Council on Education that its studies should be disseminated and utilized in a manner which will best serve the public interest. Accordingly, permission is granted to reproduce in whole or part the text of this report.

NOTE: This pamphlet provides a summary of the Academy's full report to the Advisory Council. Copies of the full report are available from the Council while the supply lasts.

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June 30, 1973

Mrs. Mary Warner, Chairman
Massachusetts Advisory Council
on Education
182 Tremont Street
Boston, Massachusetts 02111

Dear Mrs. Warner:

In September 1972, the Advisory Council on Education, at the request of the Secretary of Educational Affairs, asked the Academy to study a number of high level policy issues in Massachusetts higher education, and then to prepare a report to the people of the Commonwealth which would make firm recommendations on the actions which might be taken during the years immediately ahead.

A few days ago the Academy's study staff delivered copies of a comprehensive report to the Council and to the Secretary. We are transmitting with this letter a summary of that report to be distributed under your direction as widely as possible throughout the state.

The Academy was fortunate in having the assistance and advice of an advisory committee, appointed by the Advisory Council on Education, consisting of eleven professional persons representing the various segments of higher education in the state, both public and private, and eleven lay persons representing other facets of the public interest. We use this opportunity to express publicly our deep appreciation for their helpfulness and for the many observations they made.

We also use this opportunity to acknowledge with thanks the assistance we received from the hundreds of persons whom we interviewed and from each of the colleges and universities which prepared statistical data for us on past activities and future plans. While the

Academy takes full responsibility for this report and for every recommendation made in it, much of the material presented in this document has been developed out of discussions with various individuals and institutions in the state.

It is fair to say that this document grew out of the insights and comments of many people in Massachusetts, particularly those interested in nurturing and developing higher education of the best quality in the Commonwealth. Their views were critically evaluated, and often supplemented, by the Academy's full-time staff and by a number of nationally known educators whom we called upon for consultation, information, and advice.

We wish to thank Mrs. Gladys Keith Hardy, Undersecretary of Educational Affairs (until May 31, 1973), for the many efforts she expended in initiating the study and acting as the chief liaison official with the Commonwealth.

In addition, we also wish to thank the Massachusetts Advisory Council on Education, the Committee of the Permanent Charity Fund, the Jacob Ziskind Trust for Charitable Purposes, and the Ford Foundation for the financial support they provided to make this study possible.

Sincerely yours,

ACADEMY FOR EDUCATIONAL
DEVELOPMENT, INC.

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LIAISON WITH THE COMMONWEALTH OF MASSACHUSETTS

Gladys Keith Hardy, Undersecretary of Educational Affairs (until May 31, 1973)

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*Succeeded William Gaige who retired during the course of the Academy's study.

LIST OF PAPERS PREPARED FOR THE STUDY

Academy Study Staff, "Brief Description of the Institutions and Agencies Concerned with Higher Education in Massachusetts," February 1973, 20 pp.

Bowen, Howard R., "Observations on Higher Education Finance in Massachusetts," February 1973, 29 pp.

Boyd, Joseph D., "Observations on Student Aid in Higher Education in Massachusetts," February 1973, 32 pp.

Chase, Francis S., "Comments on Higher Education Policy in Massachusetts," February 1973, 42 pp.

Henry, David D., "Comments on Coordination and Cooperation in Higher Education in Massachusetts," February 1973, 34 pp.

Johnson, Willard R., "Minority Access to Higher Education in Massachusetts," April 1973, 28 pp.

Liebman, Lance, "The State and Federal Constitutions and Their Effect in Massachusetts on the Question of State Aid to Private Higher Education," February 1973, 22 pp.

Terman, Frederick E., "What Policy, If Any, Should Massachusetts Follow Concerning State Aid to Private Institutions of Higher Education?," February 1973, 34 pp.

Copies of each paper will be available in hardcover or microfiche through *Research in Education*, a monthly abstract publication of the United States Office of Education, which is available in most university libraries. Prior thereto, photocopies of each paper will be available from the Academy for Educational Development, Inc., 1424 Sixteenth Street, N.W., Washington, D.C. 20036 at 10¢ per page, payable with the order.

Single copies of the paper by Dr. Terman, published under the title, "Aid to Private Higher Education in Massachusetts: How? Why?," are available upon request, free of charge, while the supply lasts from the Massachusetts Advisory Council on Education, 182 Tremont Street, Boston, Massachusetts 02111.

LIST OF PUBLICATIONS BY MASSACHUSETTS ADVISORY COUNCIL ON EDUCATION

1972

Massachusetts Schools: Past, Present, and Possible	Richard H. deLone
Modernizing School Governance for Educational Equality and Diversity	Paul W. Cook, Jr.
Child Care in Massachusetts: The Public Responsibility	Richard Rowe

1971

Massachusetts Study of Educational Opportunities for Handicapped and Disadvantaged Children	Burton Blatt Frank Garfunkel
Organizing for a Child's Learning Experience: A Report of a Study of School District Organization in Massachusetts	Donald T. Donley
Quality Education for the High Schools in Massachusetts: A Study of the Comprehensive High School in Massachusetts	Lloyd S. Michael
The People's Colleges: The State Colleges of Massachusetts	Evan R. Collins *et. al.*
A Systems Approach for Massachusetts Schools: A Study of School Building Costs	Nelson Aldrich George Collins Charles F. Mahoney

1970

Organizing an Urban School System for Diversity	Joseph M. Cronin
The Massachusetts Department of Education: Proposals for Progress in the 70's	John S. Gibson
Compensatory Education in Massachusetts: An Evaluation with Recommendations	Daniel Jordan Kathryn H. Spiess
Continuing Education in Massachusetts: State Programs for the Seventies	Melvin Levin Joseph Slavet
The State Dollar and the Schools: A Discussion of State Aid Programs in Massachusetts and Promising Reforms	Charlotte Ryan

Report of the Massachusetts Business Task Force for School Management	Warren King & Associates
1969	
A Cost Benefit Analysis of General Purpose State School Aid Formulas in Massachusetts	Andre Daniere
The Measurement of Alternative Costs of Educating Catholic Children in Public Schools	Andre Daniere George Madaus
Guidelines for Planning and Constructing Community Colleges	Bruce Dunsmore
Take a Giant Step: Evaluation of Selected Aspects of Project 750	Herbert Hoffman
Pupil Services for Massachusetts Schools	Gordon Liddle Arthur Kroll
1968	
The Management of Educational Information	Information Management, Inc.
Occupational Education for Massachusetts	Carl Schaefer Jacob Kaufman
Teacher Certification and Preparation in Massachusetts	Lindley J. Stiles
1967	
The Massachusetts System of Higher Education in Transition	Samuel Gove
Inequalities of Educational Opportunity in Massachusetts	New England School Development Council

FOREWORD

Thirteen years ago appropriations for public higher education reached $18 million and represented four percent of the Massachusetts budget. By 1973, the figure had grown to $213 million, accounting for nine percent of the state budget. This dramatic growth in spending for public higher education has led neither to marked improvements in planning and policy-making nor to a higher order of sophistication in collecting and using information.

In October 1972, the Advisory Council authorized a study of higher education policy issues in the 1970s to be conducted by the Academy for Educational Development. This has become the first study the state has undertaken in many years covering both public and private higher education.

The recommendations of the Academy, produced after eight and one-half months of intensive study, bear on a number of issues and problems in our Commonwealth—a state grown expert in avoiding exposure to the consequences of public and private educational expansion.

Appreciation must be expressed for the good works of Mrs. Gladys Keith Hardy, Undersecretary, and Dr. Joseph Cronin, the Secretary of Educational Affairs, for their assistance in mounting the study, and to the Ford Foundation, the Jacob Ziskind Trust for Charitable Purposes and the Committee of the Permanent Charity Fund for their financial support of the study.

Dr. Morton Godine, who serves the Advisory Council as its "higher education" representative, was liaison between the study advisory committee and the Council. Dr. Allan S. Hartman of the Council staff has fulfilled a host of roles and functions in shepherding this enterprise along.

This report, like any study, is simply a part of what must happen in order to work prudently on the many issues raised. Under the leadership of Chancellor Patrick E. McCarthy, the Board of Higher Education is beginning the process of developing cooperation between public and private institutions of higher education and addressing the issues surrounding scholarship aid. The development of a master plan by the Board of Trustees of State Colleges promises to correct some of the problems of expansion and duplication cited in

this report. Similar efforts by both private and public higher education institutions show their increasing awareness of the variety and complexity of problems and issues confronting higher education in Massachusetts. Nevertheless, many officials, both public and private, have not yet fully sensed the need to unify and address common issues on an appropriate scale and scope.

In this summary of its study, the Academy presents the Commonwealth with an extensive set of recommendations. These obligate the state to take reasoned but prompt action.

Dr. Ronald B. Jackson
Acting Director of Research
Advisory Council on Education

SUMMARY OF THE REPORT ON HIGHER EDUCATION IN MASSACHUSETTS: A NEW LOOK AT SOME MAJOR POLICY ISSUES

Introduction

Massachusetts' needs for higher education can be expected to increase rather than diminish during the next ten years for the reason that achievement of the state's major goals will require the full development of the inherent abilities of its citizens and the continuing production of knowledge. For the next ten years and for the longer future, the well-being and advancement of the Commonwealth and its people will demand a wide diversity of colleges and universities, both public and private. Massachusetts will need these institutions:

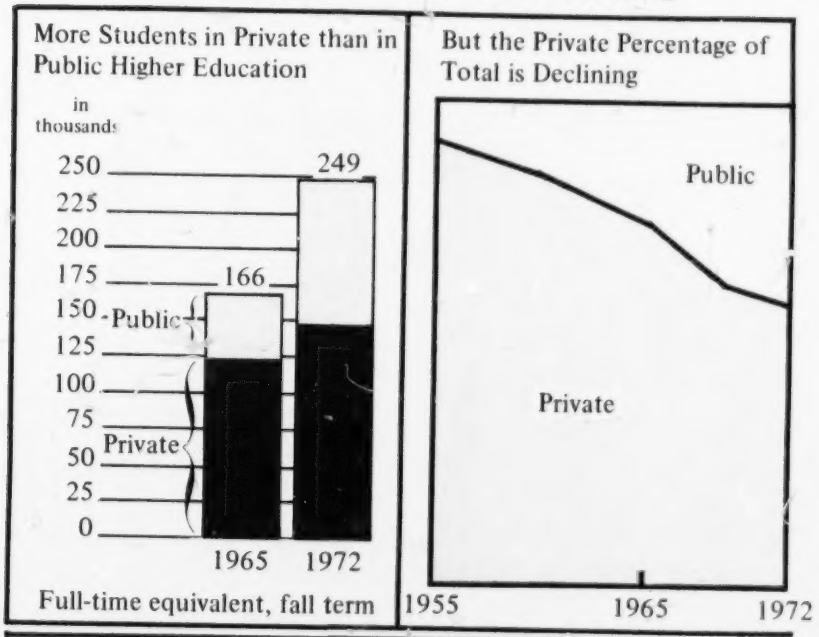
- to maintain the Commonwealth's role as one of the world's major intellectual, cultural, and scientific centers;
- to keep the state in the forefront of the nation's advanced technological industries;
- to meet current and emerging needs for highly developed capabilities in the professional, managerial, social service, and technical occupations;
- to continue to attract out-of-state students into one of the state's major export industries; and
- to serve Massachusetts citizens.

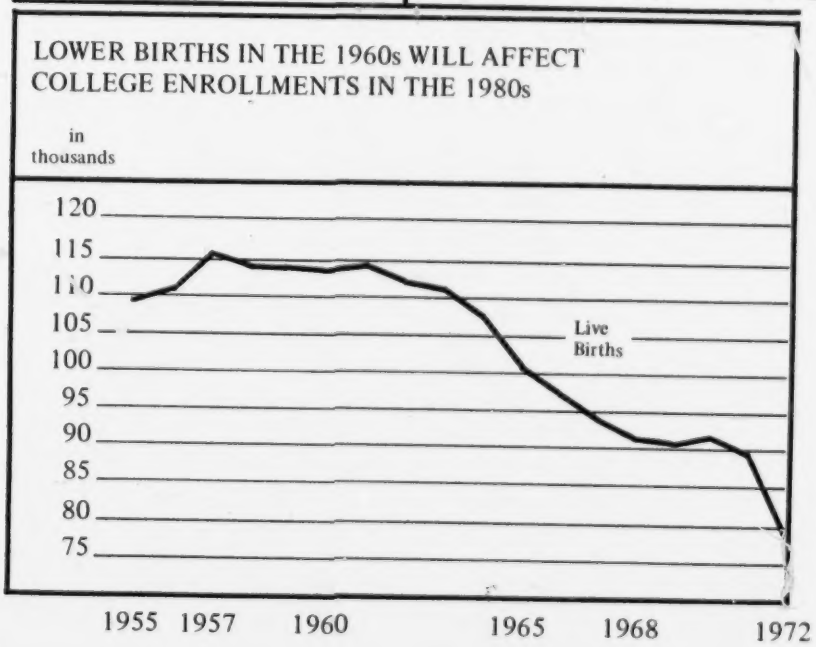
Today Massachusetts has one of the strongest higher education systems in the country. There are steeples of excellence in many areas. But there are disturbing countertrends to the maintenance of excellence, which could easily lead to the deterioration of the quality of the colleges and universities in the Commonwealth.

The policies adopted during the next few years by the Governor and the General Court, and, through them, by the people of Massachusetts themselves, will be critical in determining the future strength of higher education in the Commonwealth.

Against this background the Massachusetts Advisory Council on Education, at the request of the Secretary of Educational Affairs, asked the Academy for Educational Development to study the major policy issues facing higher education in Massachusetts in the years

MASSACHUSETTS ENROLLMENT PICTURE





immediately ahead, and to prepare a report recommending actions that should be taken by the Commonwealth and describing the policy options that are available. Specifically excluded from the Academy's assignment were matters relating to the governing structure of higher education in the state and proposals for its reorganization.

The Academy carried out the study in the light of the reiterated intent of state political and educational leaders to meet the needs of individuals in the Commonwealth and to provide capabilities for advancement of the general welfare. It reached its conclusions and recommendations after careful analysis of relevant information and extended consultation with public officials, administrators of public and private colleges and universities, and other persons concerned with higher education in Massachusetts. The Academy was assisted in reviewing findings and recommendations by an advisory committee of Massachusetts educational leaders and citizens appointed by the Massachusetts Advisory Council on Education.

The findings of the study, the options considered, and the bases for recommendations are set forth at some length in the Academy's full report. In order to give the general reader a quick overview, this summary is limited to a listing of recommendations, a table of the estimated costs of adopting the recommendations, and brief comments on the recommendations.

The Academy's recommendations in the six major areas of higher education covered by the study are as follows:

Recommendations for Action

A. Access to Higher Education and Equalization of Educational Opportunity

The Academy recommends that:

> The Commonwealth take immediate measures to increase access to higher education by providing substantial increases in scholarships and other forms of student aid; and by initiating and leading efforts to reduce academic barriers which discourage admission or impede the success of poor persons, minority group members, women, and persons who are beyond the usual age of college attendance.

More specifically, the Academy recommends that:

1. Appropriations for scholarships be increased rapidly and substantially toward a target of $40 million available for grants in the

academic year 1975-76; and thereafter increases be made until a level is reached which in combination with other forms of student aid would eliminate cost as a barrier to higher education for Massachusetts residents.

2. Eligibility requirements and the limits on scholarship grants be liberalized along with the increased appropriations.

3. Scholarship grants be accompanied by guaranteed loans and remunerated employment—in carefully worked out proportions—where necessary and appropriate to supplement the student's own financial resources.

4. Scholarship and other student aid programs be extended after careful study to include older adults and part-time students whose costs cannot be defrayed by either themselves or their employers.

5. The budget for the administration of student aid programs be increased to between two and three percent of the appropriation for scholarships in order to cover computer services and the salaries of an augmented staff, which should include persons assigned the special responsibility for encouraging applications from minority and other groups whose participation in higher education is disproportionately low.

6. The General Court support the efforts of the Governor's Task Force to establish an "open university" as a means of providing greater access to higher education for women, older adults, persons with special education needs, the handicapped, and those whose working arrangements prevent them from attending educational programs conducted on campus.

7. The state establish under the statewide board of higher education an interim commission charged with responsibility for (a) determining progress in improving access of minorities and women to higher education in the public and private colleges and universities in Massachusetts; (b) reviewing, monitoring, and reporting on affirmative action policies and practices in all higher education institutions in the state; and (c) initiating and reporting on talent searches, outreach programs, efforts to arouse expectations of college attendance, and other measures to increase the participation of blacks, other minorities, and women in graduate and professional programs as well as in undergraduate education. (Note: The activities of the proposed commission would be in addition to those carried on by Federal government agencies.)

B. Public Higher Education

The Academy recommends that:

> The Commonwealth continue to strengthen its system of public higher education by increasing appropriations as called for by demonstrated needs for improved quality and for new services in areas not well served by either public or private institutions; and also by establishing an orderly system of program review to reduce or abolish low priority activities and to conserve resources for high priority needs.

More specifically, the Academy recommends that:

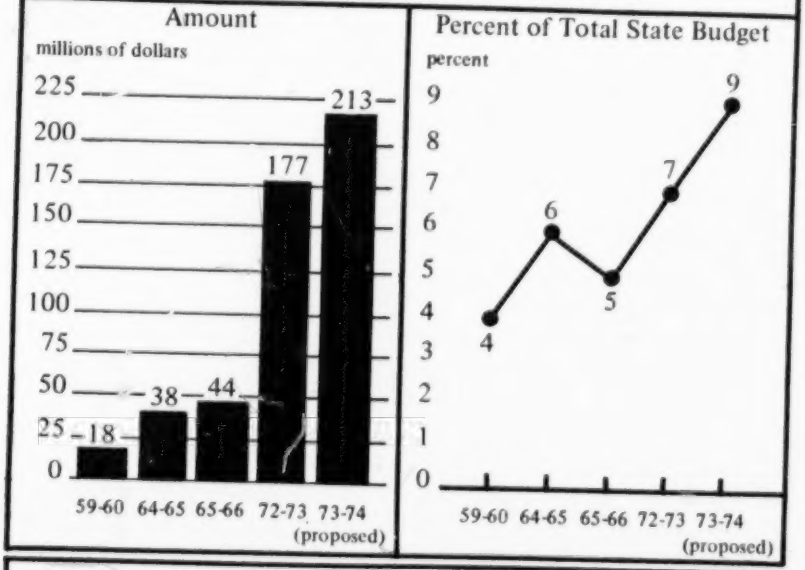
1. The state continue to provide necessary appropriations to enable public colleges and universities to improve the quality of their existing programs, to add new programs when the evidence of need is sufficient to justify a strong recommendation from the statewide board of higher education, and to improve access to higher education and equalization of opportunity (including offering scholarships where appropriate as indicated in Recommendation A).

2. The Governor direct the statewide coordinating board of higher education* to scrutinize with the utmost care proposals for new degree programs and authorize them only as justified by demonstrated needs which are not met by existing programs; and authorize new graduate and professional programs only when they clearly do not parallel or duplicate existing programs in private or other public institutions that could meet the demand.

3. The Governor and the General Court direct the several types of public colleges and universities (as they now are joined in segments or as they might be arranged in the future) to maintain a greater and more clearly understandable differentiation of role and mission than at present.

*This report assumes that the Commonwealth will expect the responsibilities mentioned in this report to be handled either by the existing Board of Higher Education or by the Board of Post-secondary Education proposed by the Governor, or by some other board or commission agreed to by the Governor and the General Court.

GROWING STATE APPROPRIATIONS FOR HIGHER EDUCATION IN MASSACHUSETTS



PER STUDENT APPROPRIATION IN MASSACHUSETTS LOW COMPARED WITH OTHER STATES

State and Rank		
New York	(2)	$2,718
Illinois	(3)	2,457
New Jersey	(5)	1,978
Pennsylvania	(7)	1,930
Wisconsin	(10)	1,758
Connecticut	(13)	1,717
California	(19)	1,567
Michigan	(23)	1,509
Ohio	(27)	1,403
U.S. Average		1,625
Massachusetts	(34)	1,337

4. No additional capital construction be authorized for the next five years except as urgently needed to serve geographic areas where the total physical facilities are grossly inadequate or where needs cannot be met satisfactorily through use of improved technologies or more effective use of existing facilities, including those that may be available in private colleges and universities.

5. The statewide coordinating board of higher education (as it now exists, or as it may be composed in the future) be the agency to review the evidence of needs (both operating and capital) submitted by the public institutions and to relate these needs to the state's high priority goals.

6. The Governor and the General Court recognize that further increases in state appropriations will be required to support the developing thrust of the public colleges and universities (see Recommendation F) even after all possible economies are realized through more effective management and the better use of resources, including those available at private colleges and universities.

C. Private Higher Education

The Academy recommends that:

> The Governor and the General Court move as swiftly as possible to protect and to make more fully available to Massachusetts citizens the unparalleled resources of the many excellent private colleges and universities in the state by amending the Constitution and enacting legislation permitting contractual arrangements with private institutions; and by taking other steps to enable the private colleges and universities to contribute more fully to state goals and objectives.

More specifically, the Academy recommends that:

1. The state increase its appropriations for scholarships and liberalize grants as indicated in Recommendation A as one means of aiding private higher education and making it more accessible to all Massachusetts citizens.

2. The General Court and the people of the Commonwealth continue taking the steps necessary to remove constitutional barriers to state aid for private higher education so that by 1975 the state will be able to contract with private institutions to provide specific programs for state residents.

3. The state give serious consideration to providing "cost of education" grants to the private institutions for each Massachusetts student or scholarship recipient enrolled.

4. The state study the possibility of protecting private colleges and universities from the imposition of local taxes by developing a program of payments to local communities throughout the state to cover the cost of the services they provide to tax-exempt colleges and universities.

D. Planning, Coordinating, and Budgeting

The Academy recommends that:

> The Commonwealth take immediate action to establish adequate mechanisms for continuous data analysis, planning, coordinating, budgeting, and communication of information to policy makers in the state government and in the institutions of higher education.

More specifically, the Academy recommends that:

1. The General Court authorize and appropriate sufficient funds to a statewide coordinating board of higher education to support the activities of a planning director and a staff of analysts and specialists in the continuing assessment of needs and operations in higher education.

2. The statewide coordinating board and its planning staff be responsible for linking as closely as possible the functions of planning, coordinating, and budgeting for higher education in the Commonwealth.

3. The budget be an instrument for the statewide coordinating board and the Secretary of Educational Affairs for implementing state plans and policies for higher education; and be made most effective in this respect by standardizing the calculation of costs and outputs and by taking other steps which will facilitate the comparative analysis of programs and identify the interrelationship between capital and operating costs.

4. The statewide coordinating board of higher education undertake through its budgetary review activities to recommend approval or disapproval of state support of programs at public institutions, of programs and services to be provided at state expense by private colleges and universities, and of cooperative programs between public and private institutions.

5. The state replace line-item budgeting by a single lump sum instructional subsidy to each state-supported college and university in order to allow a greater flexibility of operation and at the same time establish a sounder basis for accountability.

E. Incentives for Cooperation and Innovation

The Academy recommends that:

> The General Court authorize the statewide coordinating board for higher education to make grants from specially appropriated funds to encourage interinstitutional and public/private collaboration and to promote systematic experimentation with nontraditional approaches to higher education for students of all ages.

More specifically, the Academy recommends that:

1. Beginning in the fiscal year 1974-75, the statewide coordinating board for higher education be given discretionary authority with an accompanying annual appropriation of no less than $1 million, to make grants for the support of experimental and innovative projects for periods up to three years.

2. The statewide coordinating board be authorized to use these funds also (a) to make planning grants of $5,000 to $10,000 to encourage the development of consortia and other forms of interinstitutional and public/private collaboration; and (b) to negotiate contracts with consortia of public and private institutions for the performance of specified services.

3. Grants also be awarded (with appropriate advice and review) for projects designed to remove educational deficiencies and to try out nontraditional programs and modes of instruction—including off-campus studies, programs in part-time and continuing education, and other efforts to respond to emerging individual and social needs.

4. The state consider assuming the capital and management costs of computer facilities, communications media, and other expensive facilities to be made available on a shared basis to public and private institutions.

5. The activities of the Governor's Task Force for an "open university" be supported as a means of pooling public/private efforts in offering alternatives to traditional on-campus study for youth and adults.

F. Meeting the Need for Financial Support

The Academy recommends that:

> The Governor and the General Court take immediate steps to increase appropriations which are essential to the effective operation of the state's system of higher education, both public and private; and seek an equitable division of the costs between tax revenues and charges to students in proportion to their ability to pay.

More specifically, the Academy recommends that:

1. Massachusetts increase appropriations each year for the next five years at least to attain its goals in higher education; and that a major share of the increased appropriations be derived from tax revenues, federal revenue sharing, and other sources aside from tuition income.

2. After the fiscal year 1973-74 and following substantial increases in student aid (in accordance with sub-recommendation A-1), tuition at public institutions be raised gradually over a period of years at a rate of $100 to $150 a year until a level of approximately 40 percent of costs is reached.

3. The statewide coordinating board of higher education establish guidelines for the imposition of a uniform scale of tuition charges at public institutions throughout the state; and examine carefully the advantages of establishing as many as three levels of tuition at these institutions, with the lowest charge for the first two years of college work, a slightly higher charge for the next two years, and a third level for graduate and professional work.

4. The additional tuition receipts be applied, along with other appropriations, toward making higher education a constantly more effective means of meeting the needs of Massachusetts citizens.

Anticipated Effects on Higher Education Appropriations

Although available data do not permit precise calculations, the following table gives an idea of the effects to be anticipated on higher education appropriations for 1975-76, if the Academy's recommendations are adopted.

INCREASED STATE EXPENDITURES IN MASSACHUSETTS BY THE FISCAL YEAR 1975-76 BASED ON THE ACADEMY'S RECOMMENDATIONS*

In Constant 1973 Dollars
Increases In Enrollment Excluded

Item	Range in Amount	
	Low	High
	(In Millions of Dollars)	
Increase in student aid	$30.5	$30.5[1]
Increased costs of administration of scholarships, loan programs, and work-study programs	1.0	1.5[2]
Additional appropriations to improve programs and services in public institutions, less savings realized from cutbacks in low priority activities	10.0	15.0[3]
Contracts for programs and services with private institutions	3.0	8.0[4]
Cost of education grants to private institutions	2.0	4.0[5]
Payments to local communities for services to tax-exempt colleges and universities	1.0	2.0[6]
Improvement of statewide planning functions	.5	1.0[7]
Support of consortia and other cooperative, innovative, and experimental projects	1.0	3.0[8]
Partial support of basic services such as computers, libraries, and media	2.0	5.0[9]
Curriculum programming and other costs associated with the development of an "open university"	2.0	5.0[10]
Total	$53.0	$75.0

*Note that (1) the increases are calculated on the basis of the proposed 1973-74 budget; (2) appropriations required by increases in enrollment are excluded; and (3) the effects of rises in prices between 1973 and 1975 are excluded.

Additional footnotes are on the next page.

As indicated in the footnotes to the table, the figures do not include inflation or additional appropriations required for increases in enrollment in the public colleges and universities. In view of the study on alternative future enrollment patterns commissioned in early 1973 by the Board of Higher Education, the Academy did not make estimates on the number of new students to be expected in public higher education by the year 1975-76.

If Massachusetts were to increase appropriations for higher education by $50 million to $75 million, it would still rank low in public expenditures for higher education compared to other states. In 1972 Massachusetts ranked 49th in the nation in per capita public expenditures for higher education at $27 per capita (the national average was $41), and it also ranked low in higher education expenditures as a percentage of the total state budget.

There are two offsets to the proposed increase in expenditures which would prevent a proportionate increase in the burden on the taxpayer. They are:

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[1] Allows for an increase in appropriations for scholarships from $9.5 million in 1973-74 to $40 million in 1975-76.

[2] Includes the increased cost for administration of a $40 million scholarship program plus additional sums for administration of loans and work-study programs.

[3] Made on the basis of expansion of career and occupationally oriented programs, libraries, and computer facilities, as well as some increases in planning staff, and then reduced by the savings anticipated from budgetary controls and consequent savings in some current operations.

[4] Assumes that the time involved in amending the Constitution and obtaining subsequent legislation to permit contracting with private institutions will permit only a small number of contracts to be negotiated by the fiscal year 1975-76. Larger amounts will be required in subsequent years.

[5] First year only. For illustration, a cost of education grant of $100 per student for 20,000 students would amount to $2 million; a $200 cost of education grant would amount to $4 million.

[6] First year only. Information on the amount that might be involved thereafter may come from the Economic Impact study being conducted for the large universities in the Boston area.

[7] For the anticipated cost of computer services and the employment of some eight or more persons skilled in data collection, analysis, and planning.

[8] First year only. Beyond this, policies will have to be worked out in detail and some experience gained on the effects of small planning and developmental grants and the cost of support services.

[9] First year only. The range suggested is modest. An estimate of cost for subsequent years will depend upon the development of policy guidelines.

[10] First year only. Assumes Massachusetts will develop its own "open university" on a state basis rather than joining other states on a regional or national basis. Total development cost may run from $20 million to $30 million, based on the experience of the British Open University. These costs can be spread over two to five years.

(1) Tuition increases.

If tuition were increased at the rate of $100 a year for the fiscal years 1974-75 and 1975-76, *after* the scholarship program had been expanded substantially, the increased tuition receipts would amount to $18 million.* If the rate of increase were $150 a year the additional tuition receipts would be $27 million. The burden of the increased expenditures would, therefore, be divided between the taxpayers and those students who have the ability to defray a larger share of the cost of their own education.

(2) Reductions in capital expenditures.

A 75 percent cutback of the combined total of $325 million** in appropriations which have not been spent and in projects which have been authorized but for which funds have not yet been appropriated would result in a reduction of proposed costs of approximately $245 million. Pro-rated over five years the reduction in proposed cost would amount to $49 million annually.***

Massachusetts could also prevent higher education operating expenditures from skyrocketing by better long-range planning, more effective management, and fuller use of resources in both the private and public sectors (which would reduce the need for new construction).

However, when all the foregoing steps have been taken, important and urgent needs for increased appropriations will still remain. These can be neglected only at great social and economic detriment to the state and irreparable loss to its citizens.

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*Based on 90,000 full-time students in public higher education.

**Consists of (a) $65 million of construction for which appropriations have been made but building activity has not started and (b) $260 million of new projects which have been authorized by the General Court but for which money has not yet been appropriated.

***It is true, of course, that construction in Massachusetts is paid for by borrowing, and is not an immediate burden to the taxpayer. Nevertheless, the funds have to be repaid with interest by the taxpayers over a period of time, and as repayments are made they constitute a charge to the budget.

Further Comments on Recommendations

A. Access to Higher Education and Equalization of Educational Opportunity

The increase in student aid is recommended because the elimination of cost barriers and other impediments to equal access to and participation in higher education is one of the Commonwealth's highest priorities.

Information presented to the Academy indicates that Massachusetts is not yet close to providing equal access to higher education for all of its citizens. In fact, the gap may be widening between the amount of money made available and the amount required to meet the financial needs of Massachusetts citizens.

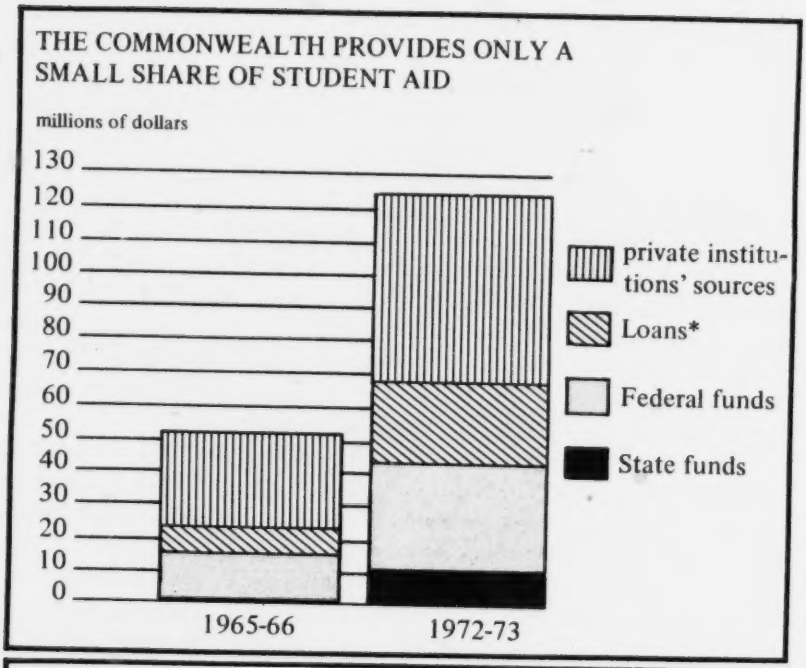
The cost barrier operates most powerfully against prospective students from low-income families and cannot be removed by low tuition charges alone. During the academic year 1972-73, the average charges for tuition, fees, room, and board in Massachusetts were reported to be as follows:

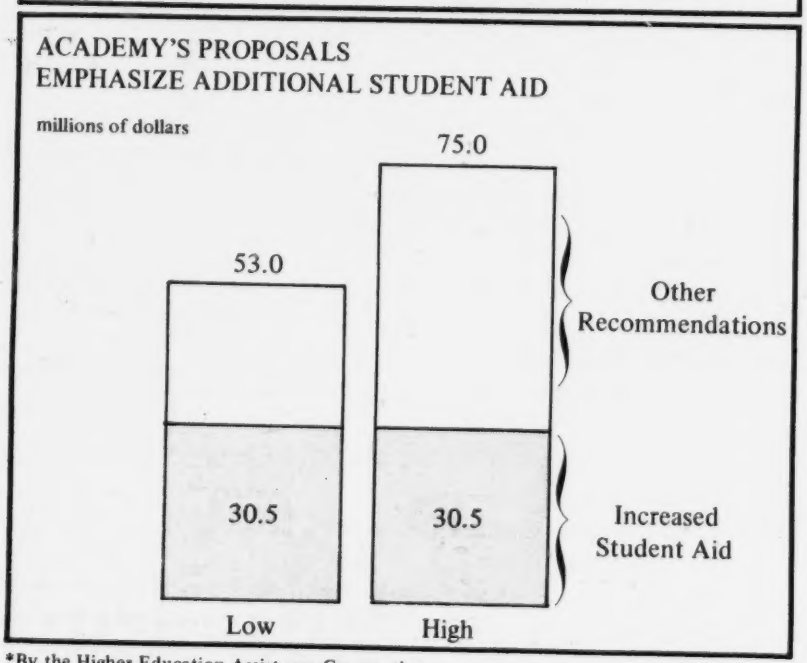
Private institutions:	tuition and fees	$2,366
	room and board	1,393
	Total	$3,759
Public institutions:	tuition and fees	$ 382
	room and board	1,120
	Total	$1,502

The present state scholarship program places ceilings on grants to students of $900 for tuition at private institutions, up to $250 for tuition at public institutions in Massachusetts, and $600 for tuition at public institutions outside Massachusetts. Obviously, these grants do not go far toward covering the minimum basic costs of even the relatively small number of successful scholarship applicants.

The 1972-73 appropriation of $8 million for scholarships provided grants to 13,300 students at an average support level of about $600. An appropriation of $40 million, as proposed by the Academy, would provide 40,000 grants at an average of $1,000; 26,667 at an average of $1,500; or 20,000 at an average of $2,000. An increased appropriation would also allow a flexibility which is lacking in the present system of awards, where the maximum is for complete tuition in state public institutions and for a fraction of tuition in private institutions.

The target of $40 million in appropriations for scholarships in 1975-76 may seem over-ambitious; but there is no doubt that this





*By the Higher Education Assistance Corporation

goal is achievable if Massachusetts intends to make equal access to higher education a top priority for the near future. As shown by the table of estimated costs, the increase in student aid accounts for a large part of the total cost of adopting the Academy's recommendations.

The increases in tuition proposed in Recommendation F would obviously raise the cost of attending public colleges and universities, and a higher proportion of student aid funds should, therefore, be used for support of students in those institutions. Accordingly, the present law which allots 10 to 25 percent of scholarship funds to students in public institutions will need to be reconsidered. As student aid increases, freedom of choice for students comes closer to reality; and the need diminishes for the arbitrary allocation of student aid funds between public and private institutions.

The Academy favors a policy of making the permanent state agencies responsible for initiating, evaluating, and supervising programs to improve access to higher education; but until state agencies for planning and coordinating operate with adequate funding, the Academy recommends an interim commission to spur action to improve access to higher education for minorities, women, and others who are barred because of deficiencies in early education, biases in admissions policies, or inappropriate programs.

B. Public Higher Education

After a late start, Massachusetts has built an extensive system of public higher education with many strong institutions and features and a great diversity of programs. Public college and university campuses of many types are distributed in all parts of the Commonwealth.

However, the high priorities for the future will not be in the expansion of faculties and physical facilities. Instead, the emphasis can be expected to focus on:

- continued improvement in the quality and relevance of instruction;
- improved access and the meeting of the needs of new types of students;
- adaptation of educational programs to occupational and other changes in society; and
- development of alternatives to traditional types of education, including "open universities" and other off-campus arrangements.

There is also a need for better utilization of existing facilities, including those in private colleges and universities, and for avoidance of duplication of effort among public institutions and between public and private institutions.

The public colleges and universities must remain vigorous and responsive. While they do not have to provide every type of program required by Massachusetts residents, they do require increased state support.

C. Private Higher Education

A special Academy study of institutions enrolling 90 percent of the students in private higher education showed that they went from a combined net surplus of $16 million in 1965 to a deficit of $2 million in 1972. In addition, between 1971 and 1972, enrollment in private institutions declined 2 percent, the first net decline in at least 15 years.

On the basis of this and other evidence, the private colleges and universities in Massachusetts are facing a future financial crisis brought about by increasing costs, expansion of public education, and a relative reduction in the pool of persons able to pay for private education. They are further threatened by the demands of some local communities for payment in lieu of taxes for essential municipal services.

The Commonwealth is prevented by the Constitution from providing any direct aid to private institutions, although it does provide indirect aid through scholarships to students, through the exemption from the property tax, and through a state-supported authority which issues bonds for construction.

Unless the Commonwealth amends the Constitution and changes its policy with regard to the financial support of private higher education, the state will face the reduced impact of an important contributor to its role as a major intellectual, cultural, and scientific center of the nation. It would also face the loss of income from many out-of-state students now attracted to Massachusetts, as well as greatly increased costs to expand the public sector of higher education to provide educational opportunity for Massachusetts' students formerly served by the private institutions.

D. Planning, Coordinating, and Budgeting

Although a number of initiatives are now being undertaken, the Commonwealth has inadequate provisions for data collection and

analysis, planning, and budgeting, which make it difficult for the state to manage its higher education enterprise effectively. In addition, the Commonwealth has not yet developed adequate mechanisms for coordination among the segments of public higher education or between the public and private sectors.

These deficiencies are the result in part of the General Court's failure to appropriate sufficient funds to support the work of a central planning staff. The result: decisions have been made on an *ad hoc* basis depending on the pressures of the moment, and overall statewide policy with respect to the future direction and expansion of higher education has been unclear.

E. Incentives for Cooperation and Innovation

The Academy found that cooperation and innovation are now going forward in many public and private colleges in Massachusetts. There are a number of consortia in the state, many bilateral agreements among institutions, and conversations among New England public institutions and between Massachusetts public and private institutions, all of which show the impetus toward cooperation.

With respect to innovation, the private colleges and universities have a long record of developing new ideas. In the public sector the University of Massachusetts is nationally recognized for its experimental programs, and a task force set up by the Governor is working on developing an "open university" to provide access to higher education for those who cannot attend regular classroom activities.

But the Academy found that these programs have proceeded up to now on an individual institution basis. There is a need now for the state to begin to support experimentation and cooperation more systematically so as to foster the growth and diffusion of more successful acitivities.

F. Meeting the Need for Financial Support

Higher education in Massachusetts will require more funds in the future than in the past because of the prospective increase until about 1980 in the number of potential students, the general rise in prices and costs due to the inflation of the times, and the need to increase access to higher education, to improve public institutions, and to protect the quality of private institutions (as indicated earlier in this summary).

As previously indicated, these cost-increasing factors can be offset in part in Massachusetts by:

- increasing tuition at public higher education institutions; and
- eliminating from the capital budget a number of large construction projects.

There is also the opportunity for reordering of educational priorities. This will require the Board of Higher Education and the Secretary of Educational Affairs to work with the segmental boards and with representatives of both public and private institutions in order to identify high priority objectives and to cut back on non-essential programs. Increased expenditures undoubtedly will be required in some areas; but reductions may be possible in others. The net effect on the state budget is likely to be a call in the years ahead for larger appropriations than at present but smaller than would otherwise be required to advance substantially toward the state's highest priorities.

Examining the desirability or feasibility of increasing any particular source of funds for increased appropriations was not a part of the Academy's assignment, but the following were noted in other states:

- a growth in general revenue as a result of statewide economic expansion;
- increases in the rates of existing taxes;
- the levying of new taxes such as a graduated income tax; and
- the transfer of a part of the state's revenues which are now dedicated to other purposes.

Other states are also considering the imposing of new taxes earmarked for higher education and the allocation of part of federally-shared revenue to higher education.

The question has to be raised, of course, as to whether the Commonwealth *could* support substantial additional costs for higher education in the decade ahead. The answer: There is no doubt that the Commonwealth could raise additional money for higher education *if* the people and their leaders choose to do so. The matter is a choice among a number of possibilities and is not based solely on the economic ability of the Commonwealth to meet costs it wishes to assume.

To the question, "At just what level should public tuitions be set?": The answer must be arrived at by considering, first, the effects of tuition levels and available student aid on access to and utilization of opportunities for higher education; and second, the probable impact on the ability of private colleges and universities to compete for students and thus to remain as viable emrollment options for

Massachusetts students. When the amount is finally set, tuition at public institutions should reflect an equitable division of the cost of an excellent system of higher education between Massachusetts taxpayers and the students.

Final Note

The Academy found that initiatives to make higher education more effective and more responsive to the needs of Massachusetts and its people are being taken by the Governor, the Secretary of Educational Affairs, the Board of Higher Education and the segmental boards, the Massachusetts Advisory Council on Education, the Association of Independent Colleges and Universities, and the many colleges and universities in the Commonwealth, both public and private. In fact, Massachusetts is providing leadership for the advancement of education through the innovations being introduced.

But if these initiatives are to be encouraged and further changes expedited, the next moves are up to the Governor and the General Court. Only the Governor and the General Court, through executive leadership and legislative action, can provide the resources essential to the improvement of the quality and relevance of higher education. Only the Governor and the General Court, through improved definition of agency responsibilities and powers, can set the stage for effective performance of the functions of evaluation, planning, coordination, and budgeting. Only the Governor and the General Court can institute action which will clear away the constitutional and statutory barriers to closer public/private and interinstitutional cooperation.

As a guide for the Governor and the General Court and through them to the people of the Commonwealth, the Academy has made six major recommendations accompanied by 31 sub-recommendations in its full report, of which this pamphlet is a summary. Copies of the full report, which includes backup material and institutional data and an analysis and a discussion of options available to the Commonwealth, can be obtained from the Massachusetts Advisory Council on Education at 182 Tremont Street, Boston, Massachusetts 02111.

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